McCORMICK PLACE

1962 Annual Report

CHICAGO TRANSIT AUTHORITY

Chicago Transit Board

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COVER DESIGN

Aerial view of Chicago's magnificent lake front showing, from south to north, McCormick Place, the world renowned headquarters for trade and professional meetings, exhibitions and cultural productions; Soldier Field, scene of great religious gatherings, sport and musical events, pageants, and spectacles; Chicago Natural History Museum, one of the most complete natural history museums in the world; Shedd Aquarium (obscured by the Chicago Natural History Museum); Adler Planetarium, where the visitor peers into the man-made skies; Grant Park, encompassing the Band Shell, Buckingham Fountain and recreational facilities; and in the left background, Chicago's famous Loop, all served by Chicago Transit Authority.

CHICAGO TRANSIT AUTHORITY

EIGHTEENTH ANNUAL REPORT

CHICAGO TRANSIT BOARD

For the Fiscal Year Ended December 31, 1962

MEMBERS OF THE BOARD

and Date Term Expires

Raymond J. Peacock	G	August 31, 1961*
Edward F. Moore	G	August 31, 1962*
Mrs. Bernice T. Van der Vries	G	August 31, 1963
James R. Quinn, *Vice Chairman*	M	August 31, 1964
Joseph D. Murphy	M	August 31, 1965
Virgil E. Gunlock,† *Chairman*	M	August 31, 1966
William W. McKenna, *Secretary*	M	August 31, 1967

M—Appointed by the Mayor of the City of Chicago.

G—Appointed by the Governor of the State of Illinois.

*—Continues to serve until a successor has been appointed and has qualified.

†—Deceased March 21, 1963.

Walter J. McCarter, *General Manager*

William J. Lynch, *General Attorney*

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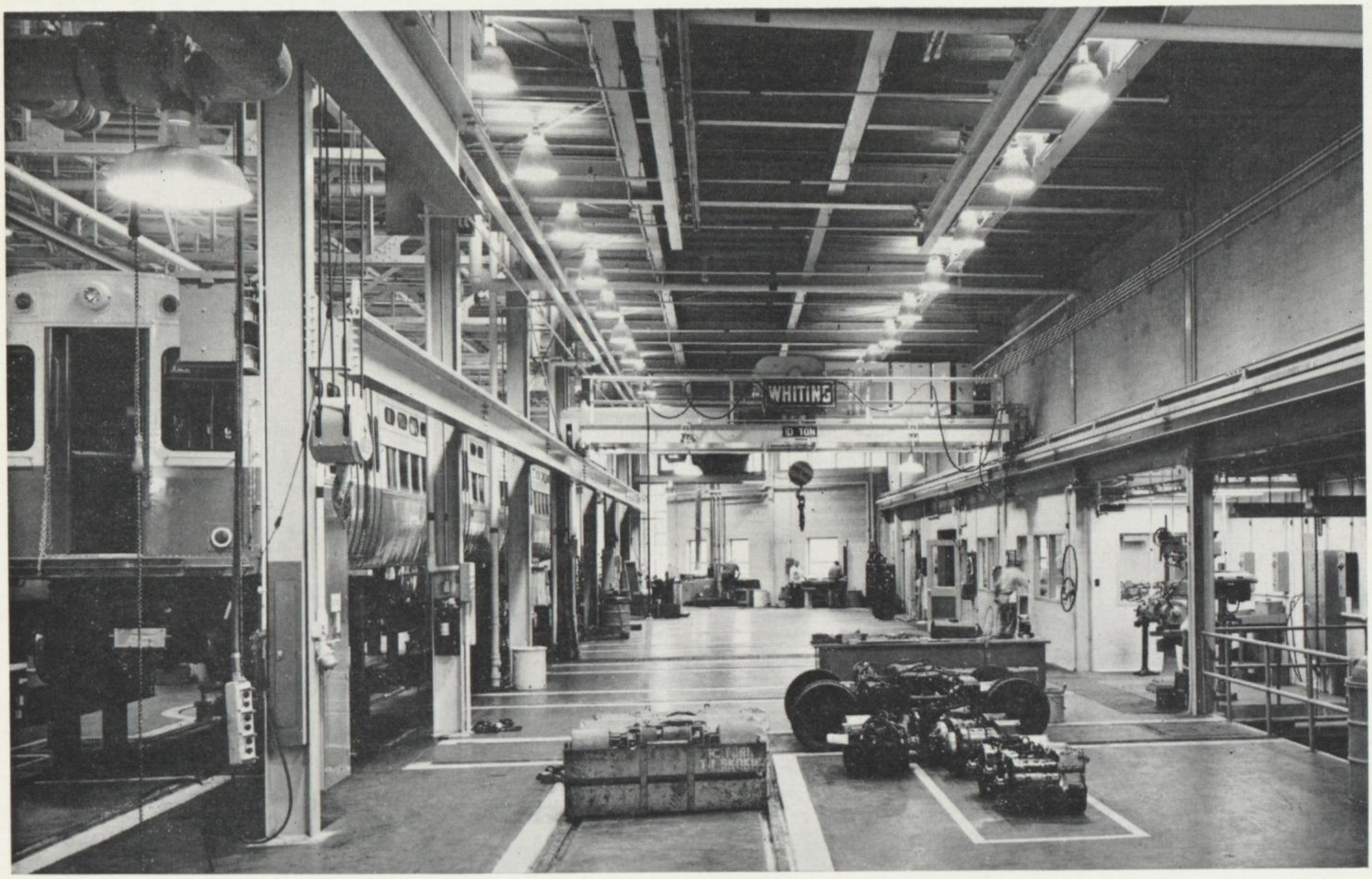

Interior view of CTA's new inspection shop at Congress terminal, Forest Park, showing the modern design incorporated in all phases of the new building. Overhead cranes and monorails provide easy handling of heavier parts and the equipment hoist is capable of lifting a two-car train five feet off its trucks. This permits easy removal of any or all trucks at one time.

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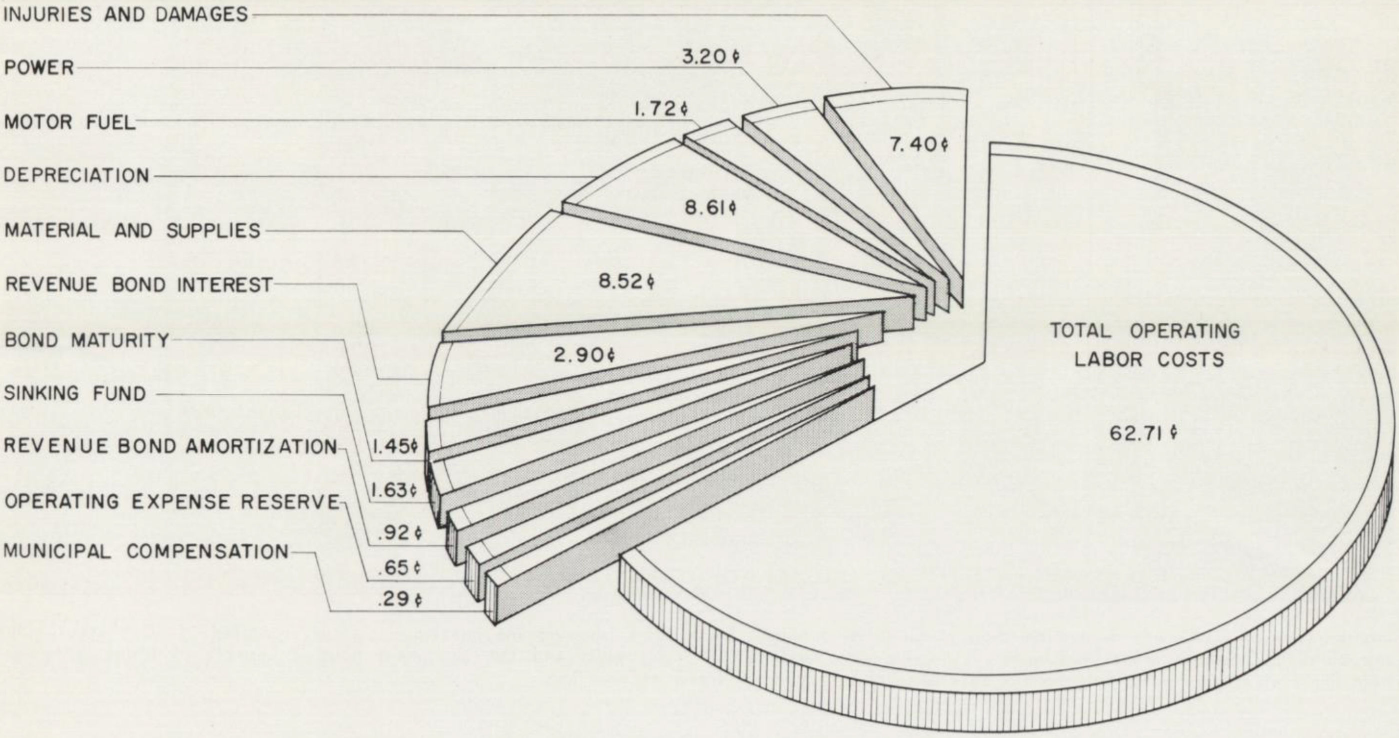
DISTRIBUTION OF CTA'S 1962 REVENUE DOLLAR



NOTE:
TOTAL OPERATING LABOR COSTS EXCLUDE $2,346,110 (1.70¢ OF CTA'S DOLLAR) CHARGED TO OPERATING MATERIALS AND SUPPLIES AND INJURIES AND DAMAGE RESERVE.

CHICAGO
TRANSIT
AUTHORITY

ANNUAL REPORT FOR YEAR 1962

FINANCIAL RESULTS

The Authority's operating results for 1962 reflected the healthy economic growth enjoyed in the Chicago metropolitan area and a full year's benefit of the additional revenues derived from the 5¢ transfer charge inaugurated July 23, 1961.

Gross revenues for the year 1962 totaled $137,840,949, an increase of $7,230,203 over 1961. Operating and maintenance expenses were $2,542,201 greater, primarily due to increased labor costs, but the net operating income was sufficient to meet all debt service and revenue bond amortization requirements; to make up the 1961 deficiency of $843,082 in depreciation provision; to deposit $900,000 in the Operating Expense Reserve Fund; and to provide $401,300 for deposit to the Municipal Compensation Fund. This is only the fourth year in CTA history in which there were revenues available for deposit to the Municipal Compensation Fund. Payments from this fund are made to the City of Chicago for use of city-owned streets, subways and other facilities.

Comparative results of operation for 1962 and 1961 are shown below:

	1962	1961
Revenues	$137,840,949	$130,610,746
Operation and Maintenance Expenses	115,160,221	112,618,020
	22,680,728	17,992,726
Debt Service Requirements	8,242,216	8,133,394
Balance Available for Depreciation	14,438,512	9,859,332
Depreciation Provision—Current Period	11,027,276	10,448,860
Balance Available for Other Charges or (Deficit in Depreciation Provision)	3,411,236	(589,528)
Carry-Over of Prior Year's Deficiency	(843,082)	(253,554)
Balance Available for Other Charges or (Deficit in Depreciation Provision)	2,568,154	(843,082)
Other Charges—Revenue Bond Amortization Fund	1,266,854	—
Operating Expense Reserve Fund	900,000	—
Municipal Compensation Fund	401,300	—
Total Other Charges	2,568,154	—
Deficit in Depreciation Provision	-0-	$ (843,082)

( ) Denotes Red Figure

Sources of the Authority's revenues for 1962 and 1961 were as follows:

	1962	1961	1962 % Increase (Decrease)
Passenger Revenues—			
Surface System	$104,541,381	$ 99,527,844	5.04%
Rapid Transit System	31,037,819	28,867,176	7.52
	135,579,200	128,395,020	5.60
Charter Service	442,650	340,700	29.92
	136,021,850	128,735,720	5.66
Other—			
Station and Car Privileges	505,579	611,697	(17.35)
Rent of Tracks and Facilities	325,139	332,492	(2.21)
Rent of Buildings and Other Property	406,083	416,820	(2.58)
Miscellaneous	582,298	514,017	13.28
	1,819,099	1,875,026	(2.98)
TOTAL REVENUES	$137,840,949	$130,610,746	5.54%

Passenger revenues of $135,579,200 for 1962 increased $7,184,180 over 1961 due entirely to added revenues collected as a result of the 5¢ transfer charge inaugurated July 23, 1961. Transfer revenues during the period January 1, 1962 to July 22, 1962 amounted to $7,249,600. There were no transfer revenues during the comparable 1961 period.

Charter service revenues for 1962 increased $101,950 and other revenues declined $55,927. The principal reductions in other revenues were $114,800 in car card advertising, $18,100 for rental of tracks, buildings and other property, and $23,500 in interest on securities. Partial offsetting increases in other revenues were $92,350 in proceeds from sale of student identification cards and $8,100 in other miscellaneous income. The unusual increase in proceeds from sale of student identification cards arose as a result of the July 23, 1961 fare change when child and student fares were reduced from 15¢ cash or 12½¢ token (4/50¢) to a flat 12¢ cash fare and all students were required to pay $1.00 per semester for identification cards. Revenues for 1961 included this credit for only the fall semester.

Operation and maintenance expenses in 1962 increased $2,542,201 despite operating economies in controllable expenses.

The principal elements making up operation and maintenance expenses for years 1962 and 1961 were:

	1962	1961	1962 Increase (Decrease)
Wages and Salaries	$ 77,072,833	$ 74,786,363	$2,286,470
Pension Contributions	6,313,171	6,257,684	55,487
Federal Insurance Contributions	1,964,995	1,927,525	37,470
Employes' Insurance	1,092,056	1,097,380	(5,324)
TOTAL LABOR COSTS	$ 86,443,055	$ 84,068,952	$2,374,103
Electric Power Purchased	4,404,118	4,648,665	(244,547)
Motor Fuel Consumed	2,370,746	2,400,594	(29,848)
Operating Materials and Supplies	5,839,542	5,566,565	272,977
Provision for Injuries and Damages	10,193,469	9,795,806	397,663
Misc. Services, Supplies, etc.	5,909,291	6,137,438	(228,147)
TOTAL OPERATION AND MAINTENANCE EXPENSES	$115,160,221	$112,618,020	$2,542,201

( ) Denotes Red Figures

Wages and salaries increased in 1962 from the application of higher hourly wage rates and cost-of-living allowances provided in contracts negotiated in 1959 and 1962. These changes, applied to the basic one-man operator wage rates, are shown below:

	Basic One-Man Hourly Rate	Cost-of-Living Allowance	Total
December 31, 1961	$2.700	$0.040	$2.740
1962 Changes effective			
March 1	—	—0.005	—0.005
June 1	—	+0.025	+0.025
September 1	—	—0.010	—0.010
December 1	+ .16	—0.050	+0.110
December 31, 1962	$2.860	-0-	$2.860

New three-year wage contracts, effective December 1, 1962, were negotiated with the two unions representing a large majority of employes of the Authority and provided for hourly wage increases of 11¢ on December 1, 1962, 9¢ on December 1, 1963 and 7¢ on December 1, 1964. The then current cost-of-living allowance (5¢) was incorporated into the December 1, 1962 basic hourly wage rate. Agreements with seventeen other unions representing approximately 1,500 employes, mostly craft workers, provided, in most cases, for hourly increases of 15¢ on December 1, 1962 and 9¢ each on December 1, 1963 and 1964 and incorporation of their then 2¢ cost-of-living allowance into the December 1, 1962 basic hourly wage rate. Certain other wage adjustments were granted to various unions to alleviate inequalities between job classifications. The cost-of-living allowance clause was carried forward in all of the new contracts, allowances, if any, to start on or after March 1, 1963 with quarterly adjustments thereafter. Other changes included in all agreements provided for an increase in sick and accident insurance payments from $50 to $56 per week, an increase in hospital insurance from $6 to $10 per day; hospitalization extras from $30 to $100 per illness; and emergency care allowance from $10 to $100. Life insurance benefits were increased from $2,000 to $2,500, vacations for employes with 25 or more years of service were increased to five weeks, and four hours pay per day for jury duty was allowed hourly rated employes.

The wage rate changes described above, together with the cumulative effect of changes in wage rates made in 1961 would have increased 1962 wage costs approximately $1,925,000. Manpower shortages in 1962 required the payment of $1,008,000 in overtime premiums in order to fill schedules. Snow removal labor costs in 1962 were $144,000 greater than in 1961, and the October 17, 1962 fire at the 35th Street rapid transit station added about $100,000 to 1962 wage costs. These few specific categories of increased wage costs in 1962 total $3,177,000 and more than offset approximately $900,000 wages saved as a result of operating economies, including a reduction of 1,629,171 miles in revenue operations.

Pension contributions for 1962 increased $55,487 because of higher earnings in the employe group for whom pension contributions are made. The Authority's contribution rate in 1962 and 1961 was 8% of gross wages of all full-time employes under the normal retirement age of 65 years. Employe contributions are one-half those of the Authority.

Federal insurance contributions (old-age, survivors, and disability benefits) increased $37,470 primarily because the 1962 tax rate was increased to 3⅛% on the first $4,800 of wages, up from the 1961 rate of 3% on the same wage base. This tax increase, amounting to $6.00 per year per employe, added approximately $77,000 to 1962 expenses but was partially offset by savings resulting from personnel reductions.

Employes' group insurance costs for 1962 declined $5,324 as a net result of a $46,515 drop in advance premiums in line with personnel reductions, partially offset by lower experience credits received in 1962.

Electric Power cost in 1962 was $244,547 less than in 1961 due to a reduction of 551,114 in miles operated by electric-powered vehicles, a slight reduction in mean temperature in 1962 which reduced the amount of power consumption for heating cars, and lower cost of converting power from AC to DC current. The actual energy cost per AC kilowatt hour at point of supply was the same during both 1962 and 1961.

Motor Fuel costs for 1962 were $29,848 less than in 1961. A reduction in motor bus miles operated saved $113,000 but an increase in the basic fuel cost per gallon increased 1962 expenses $40,850, and a slight decline in miles operated per gallon of fuel consumed added $42,300 to 1962 fuel costs.

Operating materials and supplies increased $272,977. Nominal increases or decreases in material costs occurred in various expense categories—some increases due to unusual occurrences and/or general price increases, and offsetting decreases resulting from mileage reductions, the introduction of 300 new motor buses in 1961, and other operating economies. One of the principal items accounting for the increase in 1962 cost of material and supplies was material issued in connection with temporary repairs to the 35th Street rapid transit station, tracks, etc. as a result of the October 17, 1962 fire.

Provision for injury and damage settlements accrued at the rate of 7¼% of total revenues throughout 1962, down from a rate of 7½% in 1961, increased $542,265 in direct ratio with the 1962 increase of $7,230,203 in total revenues, decreased $344,602 on account of the reduction in accrual rate, and increased $200,000 because Chicago Transit Board made a special provision in like amount to meet anticipated increased costs. An additional accrual of ¼ of 1%, effective March 1, 1960, was authorized by the Transit Board to create an excess public liability and property damage reserve covering Rapid Transit operation in lieu of purchasing $850,000 of insurance in excess of $250,000 for any one accident. This excess reserve fund is to be built up to a total of $1,000,000 and maintained at that amount thereafter. There have been no serious accidents necessitating withdrawals from this excess reserve fund since its inception and by December 31, 1962 the balance in the fund totaled $947,282.

Claim and suit settlements and expenses applicable thereto amounted to $8,313,845 in 1962 compared with $7,844,231 in 1961, as shown below:

	1962	1961	1962 Increase (Decrease)
Claim Settlements—			
Number	16,443	15,067	1,376
Settlement Costs	$3,078,527	$2,765,467	$313,060
Expenses	1,193,481	996,019	197,462
Total Cost of Claims	$4,272,008	$3,761,486	$510,522
Suit Settlements—			
Number	2,133	2,241	(108)
Settlement Costs	$3,303,181	$3,283,713	$ 19,468
Expenses	738,656	799,032	(60,376)
Total Cost of Suits	$4,041,837	$4,082,745	$(40,908)
TOTAL COST	$8,313,845	$7,844,231	$469,614

Average cost per claim settled, exclusive of expenses, increased to $187 in 1962, up from $184 in 1961, and suit costs, exclusive of expenses, averaged $1,549 in 1962, up from $1,465 in 1961. Incidents involving the Authority's operations giving rise to claims and suits totaled 23,136 in 1962, up from 22,483 in 1961, an increase of 653 (2.9%) over 1961.

Costs of miscellaneous services and supplies for 1962 were $228,147 less than in 1961. Numerous fluctuating and in some instances non-recurring categories of expenses are included under this caption. The principal items accounting for this reduction in 1962 costs were a comparative decrease of $400,000 in accruals for the payment of employe vacations, a reduction of $97,000 in fees of consultants in connection with the programming and installation of an automated responsibility accounting system, and a reduction of $48,800 in cost of engineering surveys and reports. The foregoing reductions, aggregating $545,800, were partially offset by a 1962 increase of $255,600 in the cost of sand, salt, truck rentals and related expenses incurred in the removal of snow and ice from transit routes, and an increase of $33,460 for rental of C. & N. W. Rwy. right-of-way following elevation of the Lake Street rapid transit route in October, 1962.

Debt service requirements for 1962 amounted to $8,242,216, up $108,822 over 1961. Deposits to the Series 1947, 1952 and 1953 sinking funds increased $270,590 to the required total of $2,243,253 available for retirement of Revenue Bonds in advance of maturity. The 1962 deposits to the Series of 1953 sinking fund included $71,523 to cover a December 31, 1961 deficiency that accumulated during the period November 1960 through June 1961 when earnings were not adequate to make the required deposits in this sinking fund. Interest payments of $3,998,963 on all series of Revenue Bonds during 1962 declined $161,768 from 1961 as a result of retirement of bonds, as summarized below:

REVENUE BONDS RETIRED TO DECEMBER 31, 1962 THROUGH OPERATION OF—

Series	Serial Bond Maturity Fund	Sinking Fund	Amortization Fund	Total	Total Retired to 12-31-62
1947	$ 2,000,000	$ 1,722,986	$ 705,014	$4,428,000	$33,295,000
1952	—	306,557	9,443	316,000	1,817,000
1953	—	164,622	2,378	167,000	456,000
Year 1962	$ 2,000,000	$ 2,194,165	$ 716,835	$4,911,000	
TOTAL TO DATE	$21,000,000	$10,362,141	$4,205,859		$35,568,000

Serial maturity retirements of $2,000,000 Series of 1947 bonds were at par. Sinking fund and amortization fund retirements of principal amount of $2,428,000 Series of 1947 bonds cost $2,382,295; retirements of $316,000 Series of 1952 bonds cost $323,898; and $167,000 Series of 1953 bonds cost $171,174, a total of $2,911,000 principal amount of bonds retired at a cost of $2,877,367. This represents principal savings of $33,633 arising from the retirement of revenue bonds through sinking and amortization funds during 1962. Total principal savings to date by retirement of term revenue bonds amount to $1,306,085.

The annual interest reduction on all bonds retired in advance of maturity during 1962 amounts to $112,785. The full amount of this reduction was not realized in 1962, however, because the bond retirements occurred at different periods throughout the year. In years subsequent to 1962 the total interest savings on bonds retired in advance of maturity up to and including December 31, 1962 will amount to $11,227,210.

Provision for depreciation in 1962 and 1961 was at the rate of 8% of total revenues. The 1962 increase of $578,416 in this provision is in direct ratio to the $7,230,203 increase in 1962 revenues.

FINANCIAL POSITION

Statements setting forth the financial position of the Authority at December 31, 1962, together with the opinion of Arthur Andersen & Co., independent public accountants, and other statements showing various phases of its operations for the year ended that date are presented in a following section of this report.

OPERATIONS REVIEW

Riding Trends

Fairly stable employment at relatively high levels throughout 1962 had a beneficial effect on riding and practically offset the usual loss in patronage experienced following an upward revision in fare structure. Inauguration of the 5¢ transfer charge on July 23, 1961 was expected to cause a 4.7% loss in revenue passengers. This per cent loss would normally have shown up in the first six months of 1962, with the transfer charge in effect, when compared with the first six months of 1961 when there was no transfer charge; however, due to a 1962 increase in employment, this passenger loss was only 0.62%. Riding during the second six months of 1962-1961, with the same fare structure throughout most of both periods, showed a 1962 gain of 0.40%. However, this latter 1962 period benefited by an additional 1,085,000 passengers on a comparable day-by-day basis because the 1962 period contained one more weekday and one less Sunday. After adjusting for this factor, the 1962-1961 riding trend would change from an increase of 0.40% to a decline of 0.05% for the second six-month period and for the year the decline would be 0.34% instead of 0.12%. A strike on the Chicago and North Western Railway during the period August 30 to September 28, 1962 also contributed somewhat to the high level of riding during the last half of 1962.

Details of the foregoing are shown by the following table:

	Revenue Passengers Carried		1962 Increase or (Decrease)		
6-Month Periods	1962	1961	Number	%	Nonagricultural Employment
First	257,131,093	258,726,791	(1,595,698)	(0.62%)	2.03%
Second	247,779,884	246,804,972	974,912	0.40	1.63
YEAR	504,910,977	505,531,763	(620,786)	(0.12%)	1.83%

The Rapid Transit System continues to demonstrate its competitive strength and the riding public's preference for high-speed service on grade-separated right-of-way. Passenger loss on the Surface System in 1962 was 1.15% from 1961 whereas the Rapid Transit System showed a gain of 3.58%. Some of the 1962 improvement in Rapid Transit riding is, however, attributable to a change in riding habit resulting from the 5¢ transfer charge. Many former combination Surface-Rapid riders now walk a few blocks to a Rapid Transit station to save the 5¢ transfer charge. Each year since 1955 has shown a progressively greater portion of total revenue passengers patronizing the Rapid Transit System:

Year	Per Cent of Total Revenue Passengers Carried by Rapid Transit System
1955	18.11%
1956	18.62
1957	19.29
1958	20.08
1959	20.76
1960	21.12
1961	21.78
1962	22.59

Vehicle Miles

The Authority continued to maintain attractive, convenient and frequent service throughout the City of Chicago and through, within, bordering upon, or within reasonable walking distance of thirty-one adjacent cities, towns, villages and numerous unincorporated areas.

Revenue car miles on the Rapid Transit System (43,910,748) were reduced 0.64% (282,324) from 1961 even though there was an increase of 3.58% in revenue passengers carried. Practically all of this mileage reduction resulted from operating efficiencies made possible when the expanded Loomis street yard, Englewood Branch, became available June 25, 1962 and provided storage space for 40 additional cars, thereby eliminating dead-head miles on 40 cars between Loomis and 61st street yards for over-night storage, and when the Lake Street line was moved from street level operation to grade-separated operation on the leased Chicago and North Western Railway right-of-way on October 28, 1962. This move eliminated the old Forest Park Station and terminated the line at the Harlem-Marion Station. The new Harlem terminal facilities also provided over-night storage of 42 cars, thereby saving dead-head miles on 42 cars between the Hamlin yards and Harlem Avenue, and eliminated the former inefficient but necessary practice of making "car adds" and "car cuts" midway in the line at Hamlin yards to accommodate passenger demands during the various periods of the day.

Revenue bus miles on the Surface System (106,189,616) were reduced 1.25% (1,346,847) from 1961 in line with the 1.15% decline in revenue passengers. There was very little change in the amount of service provided during morning and evening rush hour periods because most of the curtailment occurred during non-rush hours and on Saturdays and Sundays, as illustrated by the following statistical data:

	Surface System— 1962 Decrease from 1961	
	Revenue Miles	Revenue Passengers
Weekdays	1.05%	1.53%
Saturdays	2.12	(0.10)
Sundays and Holidays	4.18	2.07
TOTAL	1.25%	1.15%

( ) Denotes Increase

During 1962, an average of 2,913 surface buses operated approximately 329,211 revenue miles each weekday over Chicago's congested streets and boulevards.

Speed of Operation and Traffic Conditions

Average scheduled speed of Surface System buses during 1962 increased to 11.77 M.P.H. as compared with 11.74 M.P.H. in 1961 and 11.66 M.P.H. in 1960. This slight increase in scheduled speed was accomplished by continued running time studies and schedule changes to adjust service to passenger demand, and by a reduction in traffic congestion on certain routes due to diversion of street traffic to new Expressways.

The 1962 Cordon Count of vehicles and passengers entering and leaving the central business district of Chicago during a 12-hour period on a representative weekday shows that there were 12,644 (3.42%) less automobiles and taxicabs carrying 22,399 (3.90%) fewer passengers than in 1961, while 186 (1.53%) less Authority Surface vehicles carried 9,120 (3.68%) fewer passengers. On this same check day in 1962 the total number of heavy trucks and other service vehicles entering and leaving the central business district was 45,812, an increase of 1,699 (3.85%) over 1961.

The Rapid Transit System increased its scheduled speed of operation in 1962 to 22.42 M.P.H.—up from 22.18 M.P.H. in 1961. This increase in speed was due to the move from street level to grade separated operation on the Lake Street branch, and scheduling of the faster 6000 series cars wherever possible.

Public Safety

CTA employes turned in another outstanding safety performance during 1962 and for the eighth consecutive year established new records in reducing accidents. The 1962 passenger accident frequency rate of 3.8 accidents per 100,000 miles was an all-time low, being a decrease of 35.6% since 1954 when the intensive accident prevention program was inaugurated. During January and February 1962, the heaviest snowfall (33.4 inches) in the past 10 years made street conditions extremely hazardous and caused a sharp increase in Surface System traffic accidents. However, this heavy handicap was almost overcome by an all-time low rate of public accidents during the last 10 months of the year. Surface System traffic accidents were the second lowest in the history of CTA and the frequency rate of 8.6 accidents per 100,000 miles was 36.4% below the rate for 1954. The combined traffic accident frequency rate of 6.1 was also the second lowest, and was 38.4% lower than in 1954. The following table compares the Authority's 1962 public accident experience with 1961 and 1954. All traffic and passenger accidents involving the Authority are included regardless of liability or extent of damage:

PUBLIC ACCIDENT EXPERIENCE

	Year 1962	Year 1961	Year 1954	1962 Increase (Decrease) From 1961	1962 Increase (Decrease) From 1954
Traffic Accidents	9,102	8,642	16,300	5.3%	(44.2%)
Passenger Accidents	5,668	5,940	9,678	(4.6)	(41.4)
TOTAL ACCIDENTS	14,770	14,582	25,978	1.3%	(43.1%)
Revenue Vehicle Miles on Routes (in thousands)	149,769	151,480	164,222	(1.1%)	(8.8%)
Frequency Rate—Accidents per 100,000 Miles—					
Traffic Accidents	6.1	5.7	9.9	7.0%	(38.4%)
Passenger Accidents	3.8	3.9	5.9	(2.6)	(35.6)
TOTAL ACCIDENTS	9.9	9.6	15.8	3.1%	(37.3%)

New Revenue Vehicles

During December 1962 the Authority received 17 "New Look" 50-passenger Motor Buses, the first of an order for 300 more new buses for Chicago transit riders. Three hundred similar units were purchased in 1961.

Latest product of the bus manufacturers' art, these new vehicles are part of an order for 150 diesel-powered units being purchased from the GMC Truck and Coach Division of General Motors Corporation, Pontiac, Michigan at a cost of $3,912,000. Delivery of these units was completed in January, 1963. Another 150 "New Look" buses powered by odorless propane (LP-Gas) motors are being built for CTA by The Flxible Company of Loudonville, Ohio at a cost of $3,883,400. Delivery of these units will be completed by July, 1963.

Both the General Motors and Flxible buses will be powered by the latest type engines. They will have power steering, automatic transmissions, and air springs for maximum riding comfort. Exterior sides will be of fluted anodized aluminum with skirts of smooth anodized aluminum. Large picture windows will be of the sliding type and standee windows will be glazed with tinted glass. Safety glass will be used in all windows. Fluorescent lights in longitudinal panels, an improved heating and ventilating system, extra-wide seats, and colorful interior paneling are expected to add to passenger appeal, comfort and safety.

In October 1962, the Authority acquired title to 100 propane-powered Mack motor buses which had been operated in CTA service since the fall of 1956 under a lease agreement with Mack Trucks, Inc., of Plainfield, New Jersey. The Authority also purchased one diesel-powered demonstrator bus built to CTA specifications by The Flxible Company in mid-1961.

No new rapid transit cars were purchased during 1962 but plans and specifications were completed and on March 4, 1963 the Authority called for bids on 180 high-speed all-metal, light-weight "New Look" units estimated to cost approximately $15,000,000. These new, high-performance cars will attain new heights in eye-appeal, passenger comfort, safety and speed.

Each car will be equipped with four 100-horsepower rated motors capable of delivering a maximum speed of 65 miles per hour. A new-type controller will provide four speed positions and four brake positions. The speed positions are: (1) very low speed for switching; (2) an acceleration speed of 1.5 miles per hour per second to a speed between 15 and 20 miles per hour; (3) initial acceleration at the rate of 3.2 miles per hour per second to a balance speed of 40 to 45 miles per hour; and (4) initial rate of 3.2 miles per hour per second with a balance speed of 65 miles per hour. Dynamic braking rates are 1.2, 2.2 and 3.2 miles per hour per second in positions 1, 2 and 3 respectively. Position four is emergency braking in which a friction brake is superimposed upon the main dynamic braking system.

Semi-permanently coupled together, each two-car unit will have a seating capacity of 98 passengers, 47 in car "A", the conductor's car, and 51 in car "B". Car frames are to be capable of withstanding a minimum of 200,000 pounds of static pressure applied against the anti-climbers at the ends of the car frame. The trucks are to be equipped with steel and rubber springs, and shock absorbers.

The noise-proof and weather-proof interiors will feature revolutionary and spectacular illumination, tinted safety glass in all windows, extra-wide seats cushioned with a soft, pliable plastic upholstery, an extremely efficient heating and ventilating system, and a public address system for announcing stops and broadcasting operation information to passengers.

Bids are to be opened May 3, 1963, and delivery is to be completed within 17 months from the date the contract is awarded.

The "New Look" cars will be assigned to fully equip the Lake Street route, the street-level section of which was recently elevated, and the balance are planned for the Douglas route; these will replace 200 cars approximately 50 years old.

Revenue vehicles owned and operated at December 31, 1962 consisted of the following:

	Owned	Active	% Active
Surface System—			
Trolley Buses	552	534	96.74%
Motor Buses—			
Gasoline	172	146	84.88
Diesel	958	940	98.12
Propane	1,548	1,548	100.00
Total Buses	3,230	3,168	98.08%
Rapid Transit System—			
Motor Cars	1,157	1,153	99.65
Trailers	50	17	34.00
Total Rapid Transit Cars	1,207	1,170	96.93
TOTAL REVENUE VEHICLES	4,437	4,338(1)	97.77%

(1) Difference authorized to be scrapped, a total of 99, or 2.23%.

Construction Projects

Relocation of 2½ miles of the Authority's Lake Street Rapid Transit tracks from street-grade to the adjacent elevated right-of-way of the Chicago and Northwestern Railroad was completed and placed in operation October 28, 1962. This project eliminated 22 grade crossings, cleared the way for safer and improved street traffic, and resulted in better and faster transit service. One new track was laid on the elevated roadbed and two other tracks were realigned, water mains were relocated, electrical, signal and communication facilities, and other fixed transportation equipment and facilities were installed, and five new stations were constructed. Island-type platforms at each of the stations are long enough to accommodate eight-car trains, each station is identified by a distinctive color, and three of the stations—Central, Austin and Oak Park—are equipped with reversible, dual-operation escalators. External walls are of ceramic glazed brick in the color code for the respective station. This color is repeated in porcelain enamel panels of each station front, in the glazed ceramic tile of interior walls, in agents' booth, and in the metal platform canopies which extend over the roofs of cars at train stops to protect boarding and alighting passengers from rain, sleet and snow. Large picture windows enhance a light and bright interior. Passenger control facilities include agent-controlled, illuminated fare indicator turnstiles, coin-operated turnstiles, and electrically-operated, remotely-controlled exit turnstiles. Electric signs over the entrance of each station are to identify the station and display the travel time between the station and Chicago's loop.

This $4,000,000 improvement establishes a precedent and a pattern for public agency co-operation in mass transportation projects in the future when widespread public benefits, including improvement in street traffic flow, may be obtained. The cost was shared as follows: The U. S. Bureau of Public Roads and the State of Illinois, $1,000,000; County of Cook, $1,000,000; Oak Park, $800,000; the City of Chicago and the CTA, $600,000 each. The Bureau of Public Roads' share was specifically limited to the street crossing and its approaches at Harlem Avenue, an arterial highway.

One of the most modern service and inspection shops in the nation was constructed at the Forest Park terminal of the Congress-Milwaukee Rapid Transit route at a cost of $1,180,000. Started in April 1961 and completed in July 1962, the structure covers a floor area of about 26,000 square feet and contains complete inspection and maintenance facilities to service rapid transit cars. The ultramodern shop building is faced with yellow brick interspersed with glass panels and equipped with shop machinery and equipment of the latest design. Hoists that can lift two cars together five feet off their trucks permit servicemen to remove any one or all trucks for repair or replacement. Depressed pits running the length of the building make each car's running mechanism visible and easily accessible. Overhead cranes and monorails are provided for the handling of heavy units. There also is an automatic car washer through which an entire train can be run and cleaned in a few minutes. An office, storeroom and upholstery shop are a part of the first floor arrangement and a lunch room and other facilities for employes are provided on the second floor. Tracks for outside storage of 100 rapid transit cars during off-peak periods are provided for in the overall installation, and parking space for almost 500 automobiles is available at or near this terminal.

The new Kostner station on the Congress-Milwaukee branch of the West-Northwest rapid transit route was placed in service August 5, 1962 following special dedicatory ceremonies on August 3 during which the Honorable Richard J. Daley, Mayor of Chicago, presented to Mr. Virgil Gunlock, Chairman of Chicago Transit Board, a symbolic key to the station. Located in the median strip of the Congress Expressway east of the Kostner Avenue bridge, the new station brings to 14 the number of stations in or along the expressway between Halsted Street and Desplaines Avenue, inclusive. Travel time between the new station and the Loop is 13 minutes. The station building, at street level, is 32 feet long and 17 feet wide. Exterior walls are a combination of gray glazed brick and structural glass blocks. The station entrance is a combination of aluminum panels and polished plate glass windows and doors. The interior is finished with gray glazed tile and is equipped with agent's booth, exit turnstile, and modern lighting that harmonizes with the interior decor. Space is available for the future installation of a coin-token turnstile. The 600-foot long platform is canopied throughout its entire length and eight windbreaks, each

15 feet long and six feet high with five foot wide panels set at each end of the windbreak, are spaced along the platform to provide additional shelter. The cost of this station was borne by the City of Chicago.

An automatic, all-electric interlocking and block signal system, the major phase of a $200,000 modernization project at the 63rd and Stony Island terminal of the North-South L-Subway route, was placed in operation April 15, 1962. A new diamond crossover was installed to replace the sharp curves and obsolete track layout for bringing trains in and out of the north and south berths. Four automatic switches replace the six manually-operated switches formerly in use. Automatic block signals were installed between University station and the Jackson Park station. The new all-electric interlocking system automatically sends trains into either the north or south side of the station platform and automatic controls also route trains out of the terminal at the exact scheduled starting time.

At year end, the new bus overhaul shop building under construction at the northeast corner of 78th Street and Vincennes Avenue was about 75 per cent complete. The "H" shaped building, with wings on the east and west sides of the central area, will cover an area of approximately 174,800 square feet. The central section of the bus overhaul shops will be occupied by storerooms and upholstery, woodworking, blacksmith, tin, welding, machine and door shops. Chassis shops will be located in the east wings and body shops in the west wings. The paint shop will be in the south part of the west wing. At the west end of the northwest wing of the new bus overhaul building there will be a new building for supervisory and office personnel. This new facility is designed for assembly-line work flow and efficiency and will be one of the most modern bus servicing shops in the transit industry. The cost of this $5,235,000 project, the final step in consolidation of two former Surface System repair shops, will be amortized within a few years by economies achieved through consolidation. Completion is expected by July or August 1963.

Expressway Operations Proposed

An engineering report issued early in December 1962 by the nationally known consulting firm, Parsons, Brinckerhoff, Quade & Douglas, favored the Authority's proposed 10-mile extension of its Milwaukee-Dearborn subway route northwestward from a connection with the extisting elevated structure, south of Milwaukee Avenue near Rockwell Street, northward in the median of a proposed Crosstown Expressway to the Northwest Expressway and thence northwest in the median of the Expressway to a terminal at Cumberland Avenue (8400 west) near Higgins Road, and eventually southwestward an additional 3½ miles to O'Hare International Airport.

The report states that there is a genuine need for enlarged or different public transportation in the northwest area and that the proposed rapid transit extension would be the most effective improvement in public transportation that could be made to reduce traffic congestion in the City's northwest corridor. It was estimated that the extension would increase CTA patronage by about 9,700,000 passengers annually, including some 1,900,000 former patrons of Chicago and North Western Railway commuter line. This volume of riding would abate demand on highway facilities by 12,600 vehicle trips on an average weekday in 1970. "This means a reduction in demand for Northwest corridor highway facilities equivalent to about four expressway lanes," the engineers asserted. "The cost of an alternative solution by means of another expressway would be exorbitant."

Estimated construction cost is $36,000,000, not including $8,200,000 for additional rolling stock CTA would have to purchase. Revenues from the extension, according to the engineers, would approximately equal operating costs. However, debt service for these capital costs, and an increase of $1,110,000 in the Chicago and North Western's commuter service deficits due to further loss of patronage would impose an additional cost of $3,700,000 a year which would have to be met by some public agency other than the Chicago Transit Authority. This cost, the engineers said, must be weighed against the economic and other benefits which would be gained, and compared with the cost of providing equal relief of congestion by other means.

The Chicago and North Western Railway and Chicago Transit Authority agreed to sponsor the above mentioned joint study as a possible means of settling the question as to whether an "open cut" subway should be built in the median strip of the Northwest Expressway similar to the CTA rapid transit route operating in the median strip of Congress Street Expressway. During the course of the study, some 15 alternatives for the improvement of public transportation in the northwest area of Chicago were considered.

As is sometimes the case in joint studies of a controversial nature, the Chicago and North Western Railway is not in complete accord with the general conclusions of this study.

Modernization and Replacement Program

The Authority's modernization program, formulated in 1945 when CTA was established, provided for acquisition of 4,256 revenue vehicles to modernize rolling stock of the predecessor companies.

By December 31, 1962, the Authority had taken delivery of 4,704 new revenue vehicles and 283 others were on order for delivery in 1963. This completed the modernization program and will provide 731 additional new vehicles to replace equipment that became over-age during the interim.

Total cost of these 4,987 new revenue vehicles and auxiliary equipment is approximately $127,413,000, of which $84,794,000 covers 4,213 Surface System passenger units and $42,619,000 was for 774 Rapid Transit System cars. The net cash cost is $119,433,000 after considering $7,980,000 salvage value realized on PCC streetcar components used in construction of 570 new L-Subway cars.

Total expenditures and commitments under the modernization and replacement program to date aggregate approximately $174,511,000—$127,413,000 for the vehicles referred to above and $47,098,000 for construction of new shops and operating garages and modernization of other facilities such as shops, garages, machinery, and fixed transportation equipment.

Personnel

The total number of employes in service at the close of 1962 was 12,932, a decrease of 269 from the 13,201 at December 31, 1961, and a decrease of 10,436 from the 23,368 employes in service at dates of acquisition of properties from predecessor companies.

During 1962, 466 employes retired on pensions, 11 employes drawing disability pensions returned to active duty, and 420 retired employes died. At December 31, 1962 there were 5,562 retired employes receiving pension payments.

No major changes were made in executive and supervisory positions during 1962.

OUTLOOK FOR 1963

Financial—Budget

On December 6, 1962, Chicago Transit Board adopted a budget of $137,749,000 for the year 1963 that anticipates a balance of $110,000 available for other charges after paying all operating and maintenance costs, debt service requirements and depreciation provision.

Passenger revenues for 1963 were estimated on the assumption that passenger traffic would be slightly lower (3/10th of 1%) than the 1962 level, and that the average fare in 1963 would be 1/10th of 1% higher than in 1962, resulting in a net decline of approximately $34,000. All other 1963 revenues were estimated to produce about $58,000 less than was realized in 1962.

Expenses budgeted for 1963 were based on contractual wage rates in effect at the close of 1962. The new labor contract that became effective December 1, 1962 provides for a cost-of-living allowance which is to be adjusted quarterly under a formula based on the Consumer Price Index for Chicago. The budget makes no provision for the possibility of cost-of-living allowances in 1963, and in this respect it is significant to point out that at the current level of employment each 1¢ per hour increase in wages adds approximately $25,600 per month to operating expenses.

Financial—Preliminary Results

Extremely cold weather, a noticeable number of factories cutting down to a 3 or 4-day work week, and a prolonged epidemic of colds, respiratory ailments and Asian flu all combined to cause a severely adverse effect on passenger traffic and revenue during the first quarter of 1963. Passenger revenue was $2,026,000, or 5.9% less than in the corresponding 1962 quarter and $1,522,000, or 4.5% under the budget. However, operating economies and other factors affected reductions in operation and maintenance expenses and other costs so that at March 31, 1963 there was a deficit of only $843,000 in the amount available for the depreciation reserve fund. The 1963 budget had predicted a first-quarter deficit of $171,000.

Passenger traffic in April 1963 is approaching the level anticipated in the budget, and it is believed that this more normal riding pattern coupled with continued operating economies may overcome the first quarter deficit by the end of the year.

Capital Projects

Cash available for capital outlays in 1963, including a carry-over of $16,387,000 of capital funds appropriated but not spent in 1962 and $7,500,000 to be obtained by sale of equipment trust certificates, is estimated at $35,700,000. Of this amount, $25,445,000 is committed or planned for purchase of new revenue vehicles and most of the balance is committed for other capital projects, many of which are already under way. Major capital items budgeted are as follows:

Purchase of 180 rapid transit cars ($15,000,000) and 300 motor buses ($7,900,000), plus engineering and make ready costs	$23,046,000
Interest and principal on Equipment Trust Certificates	2,399,000
Purchase 500 Fare Collection Boxes (carried forward from 1962)	300,000
Construct Lake Street Branch terminal and yard facilities	873,000
Major Rapid Transit System yard and terminal construction	468,800
Construction of consolidated shop buildings and other facilities at 78th and Vincennes Avenue	860,000
Major renewals of Rapid Transit System track, structures and bridges	1,628,000
Renewals and/or improvements to shops, garages, electric power distribution system, signal and interlocking systems, machinery, tools and equipment, etc.—	
Rapid Transit System	1,925,000
Surface System	2,119,000
Common to Both Systems	1,231,200
Purchase of real estate for terminal and/or parking facilities	850,000
TOTAL	$35,700,000

Chicago Transit Board

Mr. Virgil E. Gunlock, 57, Chairman of Chicago Transit Board, an outstanding engineer, public official and civic leader, died March 21, 1963 following a heart attack suffered ten days previously.

Mr. Gunlock had a long and illustrious career in Chicago. Graduating from the University of Illinois, department of engineering with high scholastic honors in 1927, Mr. Gunlock began his professional career as an engineer with the Chicago Sanitary District. In 1938, he was chosen as engineer in charge of constructing the first section of Chicago's initial system of subways. From that post he advanced to engineer in charge of subway construction, to chief engineer, and then to Commissioner of Subways and Superhighways. For a brief period, until the Department of Subways and Superhighways was consolidated with the Department of Public Works, Mr. Gunlock was commissioner of both departments.

As Chairman of Chicago Transit Board, Mr. Gunlock had directed the Authority through critical early years. Under his leadership and guidance, Chicago Transit Authority has modernized its equipment and service, establishing a record for modernization of Chicago transit equipment unequaled in the history of transit in any city.

Active in numerous civic and professional organizations, Mr. Gunlock was vice-president of the McCormick Theological Seminary, a member of the Chicago Plan Commission, Deputy Director of the Chicago Civil Defense, devoted to activities of the Boy Scouts, a director of the Western Society of Engineers, and past president of the Illinois Society of Professional Engineers and past vice-president of the National Society of Professional Engineers. Space does not permit listing all of the civic, religious, philanthropic and social activities to which he gave freely of his talents, experience and energy. Chicago Transit Authority and the community have lost a dedicated, devoted and most capable public servant.

Mr. Gunlock had been a member and Chairman of the Board since July 1954. Members of Chicago Transit Board had re-elected Mr. Gunlock Chairman for a second consecutive three-year term beginning September 1, 1962.

The term of Mr. Edward F. Moore, as a member of Chicago Transit Board, expired August 31, 1962 and no successor has as yet been appointed. In conformity with the provisions of the Metropolitan Transit Authority Act, Mr. Moore has continued to serve as a member of Chicago Transit Board.

At a special meeting of Chicago Transit Board held in October 1962, the Board passed a resolution paying tribute to General Manager Walter J. McCarter upon his completion of fifteen years of dedicated service to Chicago Transit Authority and to the community. Following introduction of the resolution, Vice-Chairman James R. Quinn, who has been a member of Chicago Transit Board since its inception in 1945, outlined the important events and outstanding achievements in CTA history while under the supervision and leadership of Mr. McCarter, all of which are enumerated in the resolution.

The resolution, suitably embellished, concludes "Be It Resolved, that the sincere appreciation of Chicago Transit Board be extended to Walter J. McCarter for his meritorious services to Chicago Transit Authority and to the transit riders of the Chicago Metropolitan Area."

During 1962, the Board held twenty-six meetings for the transaction of official business and, in addition, held many informal conferences and several public hearings.

ACKNOWLEDGMENTS

We wish to express our appreciation to all employes of the Authority for their part in making 1962 a successful year, and to our valued patrons for their continued good will and support.

We also thank the many public officials and agencies for their confidence and assistance over the years.

By Order of the Board

James R Quinn

Vice-Chairman

Room 734
Merchandise Mart Plaza
Chicago 54, Illinois

ARTHUR ANDERSEN & CO.

120 South La Salle Street
Chicago 3

Chicago Transit Board,
Chicago Transit Authority:

We have examined the balance sheet of CHICAGO TRANSIT AUTHORITY (an Illinois municipal corporation) as of December 31, 1962, and the related statements of accumulated net earnings, of application of revenue and of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of accumulated net earnings and of funds present fairly the financial position of Chicago Transit Authority as of December 31, 1962, and the results of its operations and fund transactions for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, the accompanying statement of application of revenue presents fairly the distribution of revenue for the year ended December 31, 1962, in accordance with the provisions of the trust agreement securing the revenue bonds.

ARTHUR ANDERSEN & CO.

March 15, 1963.

CHICAGO TRAN

Balanc

ASSETS

	December 31	
	1962	1961
TRANSPORTATION PROPERTY:		
Cost	$193,097,642	$191,115,710
Less—Reserve for depreciation	78,756,337	72,321,976
	$114,341,305	$118,793,734
SPECIAL FUNDS, cash and U. S. Government securities:		
Held by revenue bond trustee—		
Transit revenue	$ —	$ —
Depreciation reserve	16,917,019	12,954,204
Operating expense reserve	1,848,259	948,259
Modernization	180,032	—
	$ 18,945,310	$ 13,902,463
Damage reserve	6,044,610	4,164,989
	$ 24,989,920	$ 18,067,452
CURRENT ASSETS:		
Cash and U. S. Government securities—		
Working cash, including $5,000,000 provided from revenue bond proceeds	$ 18,159,456	$ 16,368,526
Deposits for payment of interest on revenue bonds	1,952,636	2,044,029
Deposits for payment of interest on equipment trust certificates	19,290	24,543
Deposit for payment of municipal compensation	221,268	—
Accounts receivable, less reserve	2,483,264	2,430,154
Materials and supplies, at average cost	5,711,386	5,496,355
Other	702,483	660,510
	$ 29,249,783	$ 27,024,117
	$168,581,008	$163,885,303

IT AUTHORITY

Sheet

LIABILITIES

	December 31	
	1962	1961
LONG-TERM DEBT (including $5,919,828 due within one year), see accompanying statements:		
Revenue bonds	$ 99,432,000	$104,343,000
Less—Amounts held by trustee in Series of 1947 serial bond maturity, revenue bond amortization, sinking and revenue bond reserve funds	9,846,695	9,156,713
	$ 89,585,305	$ 95,186,287
Equipment trust certificates, after deducting funds of $131,673 and $128,340 respectively, held by trustee for payment of principal	5,573,327	7,126,660
	$ 95,158,632	$102,312,947
ACCUMULATED NET EARNINGS, appropriated in accordance with the trust agreement securing the revenue bonds	$ 42,489,495	$ 34,744,762
CURRENT LIABILITIES:		
Accounts payable	$ 8,288,982	$ 6,706,387
Accrued wages and vacation pay	8,370,924	7,856,623
Accrued interest	1,971,926	2,068,572
Unredeemed tokens	276,291	272,142
Municipal compensation	221,268	—
	$ 19,129,391	$ 16,903,724
DAMAGE RESERVE	$ 11,803,490	$ 9,923,870
	$168,581,008	$163,885,303

The accompanying notes are an integral part of this balance sheet.

Statement of Accumulated Net Earnings

APPROPRIATED IN ACCORDANCE WITH THE TRUST AGREEMENT SECURING THE REVENUE BONDS FOR THE YEAR ENDED DECEMBER 31, 1962

BALANCE DECEMBER 31, 1961	$34,744,762
Items deductible from operating revenue in accordance with the trust agreement securing the revenue bonds, but not deductible from net earnings—	
Allocation of net earnings for debt service requirements—	
Serial bond maturity fund	$ 2,000,000
Sinking funds	2,243,253
Depreciation deficiency applicable to prior years	843,082
Allocation of net earnings for other requirements—	
Revenue bond amortization funds	1,266,854
Operating expense reserve fund	900,000
Interest earned on certain funds, not included in transit revenue under the trust agreement—	
Sinking funds	6,595
Revenue bond reserves	50,647
Depreciation reserve	494,052
Interest expense on equipment trust certificates	273,415*
Net earnings for the year ended December 31, 1962	$ 7,531,068
Discount on retirement of revenue bonds	33,633
Credits offset against municipal compensation under the franchise ordinance and other agreements	180,032
	$ 7,744,733
BALANCE DECEMBER 31, 1962	$42,489,495

* Denotes red figure.

CHICAGO
TRANSIT
AUTHORITY

Statements of Application of Revenue

FOR THE YEARS ENDED DECEMBER 31, 1962 AND 1961

	1962	1961
OPERATING REVENUE:		
Passenger transportation	$136,021,850	$128,735,720
Other	1,819,099	1,875,026
	$137,840,949	$130,610,746
OPERATING EXPENSES:		
Transportation operations	$ 62,818,384	$ 62,803,628
Maintenance and servicing	27,290,589	25,553,245
General administration	6,135,238	5,583,551
Provision for injuries and damages	10,193,469	9,795,805
Electric power for revenue equipment	5,379,593	5,504,235
Fuel for revenue equipment	2,370,746	2,400,594
Rental under long-term leases	972,202	976,962
	$115,160,221	$112,618,020
REVENUE AVAILABLE FOR DEBT SERVICE	$ 22,680,728	$ 17,992,726
DEBT SERVICE REQUIREMENTS:		
Interest	$ 3,998,963	$ 4,160,731
Serial bond maturity fund	2,000,000	2,000,000
Sinking funds	2,243,253	1,972,663
	$ 8,242,216	$ 8,133,394
REVENUE AVAILABLE FOR OTHER REQUIREMENTS	$ 14,438,512	$ 9,859,332
OTHER REQUIREMENTS:		
Depreciation—		
Prior period deficiency	$ 843,082	$ 253,554
Current period	11,027,276	10,448,860
Revenue bond amortization	1,266,854	—
Operating expense reserve	900,000	—
Municipal compensation (of which $180,032 was offset by credits under franchise ordinance and other agreements)	401,300	—
	$ 14,438,512	$ 10,702,414
DEFICIENCY IN REVENUE, representing depreciation for which revenue was not available for deposit with trustee	$ —	$ 843,082

The accompanying notes are an integral part of these statements.

Statement

FOR THE YEAR ENDED

		FUNDS HELD BY REV				
			REVENUE BOND			
	Total	Transit Revenue	Interest	Serial Maturity	Sinking Funds	Reserves
BALANCE DECEMBER 31, 1961, before transfers	$ 44,920,509	$ 8,448,959	$2,044,029	$1,000,000	$ 64,113	$8,092,600
ADD:						
Collection of revenue	$138,072,194	$138,072,194	$ —	$ —	$ —	$ —
Other receipts	5,562,158	5,562,158	—	—	—	—
Interest income from securities	872,944	—	31,123	28,775	6,595	224,035
Transfers from transit revenue fund	—	141,629,337*	3,998,963	2,000,000	2,243,253	—
Other transfers	—	321,650	31,123*	28,775*	1,029,768	253,015*
	$144,507,296	$ 2,326,665	$3,998,963	$2,000,000	$3,279,616	$ 28,980*
DEDUCT:						
Disbursements	$134,482,712	$ —	$4,090,356	$2,000,000	$2,877,367	$ —
Transfers from revenue bond trustee to equipment trustee (see accompanying statement)	—	—	—	—	—	—
	$134,482,712	$ —	$4,090,356	$2,000,000	$2,877,367	$ —
BALANCE DECEMBER 31, 1962, before transfers described below:						
Cash	$ 16,092,099	$ 10,775,624	$1,952,636	$ 2,705	$ 466,362	$ 41,676
U. S. Government securities (at cost)	38,852,994	—	—	997,295	—	8,021,944
	$ 54,945,093	$ 10,775,624	$1,952,636	$1,000,000	$ 466,362	$8,063,620
TRANSFERS to be made subsequent to December 31, 1962:						
Collections deposited January 2, 1963	375,845	375,845	—	—	—	—
Transfers in January 1963 from transit revenue and working cash	—	11,151,469*	—	—	—	—
Transfer from municipal compensation fund	—	—	—	—	—	—
Reimbursement of working cash for disbursements payable from special funds	—	—	—	—	—	—
	$ 55,320,938	$ —	$1,952,636	$1,000,000	$ 466,362	$8,063,620
BALANCE DECEMBER 31, 1962, after transfers, classified in accompanying balance sheet as:						
Special funds	$ 24,989,920	$ —	$ —	$ —	$ —	$ —
Current assets	20,352,650	—	1,952,636	—	—	—
Reduction of long-term debt	9,978,368	—	—	1,000,000	466,362	8,063,620
	$ 55,320,938	$ —	$1.952,636	$1,000,000	$ 466,362	$8,063.620

* Denotes red figure.

of Funds

DECEMBER 31, 1962

ENUE BOND TRUSTEE						OTHER FUNDS		
Depreciation Reserve	Revenue Bond Amortization	Operating Expense Reserve	Moderni-zation	Municipal Compen-sation	Funds Held by Equipment Trustee (See Accompanying Statement)	Damage Reserve	Excess Damage Reserve	Working Cash
$17,536,657	$ —	$ 948,259	$201,778	$ —	$ 152,883	$ 2,832,389	$574,059	$ 3,024,783
$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—	—	—	—
494,052	—	15,038	—	—	14,464	45,094	13,768	—
11,942,483	950,141	—	—	—	—	—	—	120,494,497
—	950,141*	15,038*	295,783	—	14,464*	9,981,435	331,532	10,667,612*
$12,436,535	$ —	$ —	$295,783	$ —	$ —	$10,026,529	$345,300	$109,826,885
$ 3,448,122	$ —	$ —	$201,778	$ —	$1,828,668	$ 8,422,089	$ —	$111,614,332
1,826,748	—	—	—	—	1,826,748*	—	—	—
$ 5,274,870	$ —	$ —	$201,778	$ —	$ 1,920	$ 8,422,089	$ —	$111,614,332
$ 231,887	$ —	$ 6,258	$295,783	$ —	$ 9,042	$ 1,209,446	$ 1,448	$ 1,099,232
24,466,435	—	942,001	—	—	141,921	3,227,383	917,911	138,104
$24,698,322	$ —	$ 948,259	$295,783	$ —	$ 150,963	$ 4,436,829	$919,359	$ 1,237,336
—	—	—	—	—	—	—	—	—
893,544	316,713	900,000	—	401,300	—	660,499	27,923	7,951,490
—	—	—	180,032	180,032*	—	—	—	—
8,674,847*	—	—	295,783*	—	—	—	—	8,970,630
$16,917,019	$316,713	$1,848,259	$180,032	$221,268	$ 150,963	$ 5,097,328	$947,282	$ 18,159,456
$16,917,019	$ —	$1,848,259	$180,032	$ —	$ —	$ 5,097,328	$947,282	$ —
—	—	—	—	221,268	19,290	—	—	18,159,456
—	316,713	—	—	—	131,673	—	—	—
$16,917,019	$316,713	$1,848,259	$180,032	$221,268	$ 150 963	$ 5,097,328	$947,282	$ 18,159,456

The accompanying notes are an integral part of this statement.

Statement of Funds Held by Equipment Trustee

FOR THE YEAR ENDED DECEMBER 31, 1962

		Equipment Trust Certificate Funds			
		For Payment of Interest	For Payment of Principal		
	Total		Series 7	Series 8	Series 9
BALANCE DECEMBER 31, 1961	$ 152,883	$ 24,543	$ 57,500	$ 20,834	$ 50,006
ADD:					
Interest income from securities	$ 14,464	$ 2,129	$ 5,573	$ 1,980	$ 4,782
Interest income transferred to transit revenue fund	14,464*	2,129*	5,573*	1,980*	4,782*
Transfers from revenue bond trustee	1,826,748	273,415	702,500	250,833	600,000
	$1,826,748	$273,415	$702,500	$250,833	$600,000
DEDUCT—Disbursements	$1,828,668	$278,668	$700,000	$250,000	$600,000
BALANCE DECEMBER 31, 1962:					
Cash	$ 9,042	$ 4,507	$ 1,852	$ 1,955	$ 728
U. S. Government securities (at cost)	141,921	14,783	58,148	19,712	49,278
	$ 150,963	$ 19,290	$ 60,000	$ 21,667	$ 50,006
BALANCE DECEMBER 31, 1962, classified in accompanying balance sheet as:					
Current assets	$ 19,290	$ 19,290	$ —	$ —	$ —
Reduction of equipment obligations	131,673	—	60,000	21,667	50,006
	$ 150,963	$ 19,290	$ 60,000	$ 21,667	$ 50,006

*Denotes red figure.

The accompanying notes are an integral part of this statement.

Notes to Financial Statements

AS OF DECEMBER 31, 1962

(1) Revenue of each year after deducting operation and maintenance expenses is to be deposited in the following funds, in the order shown, to the extent that moneys are available therefor:

A. Revenue bond interest fund, serial bond maturity fund, sinking funds and reserve funds—deposits equal to debt service requirements as provided in the revenue bond trust agreement.

B. Depreciation reserve fund—deposits equal to annual depreciation provision and deficiencies, if any, in prior years' deposits.

C. Revenue bond amortization fund—deposits, cumulative within the year, equal to $300,000 quarterly for the series of 1947 and 1952 revenue bonds and $16,714 quarterly for the series of 1953 revenue bonds.

D. Operating expense reserve fund—deposit to be $900,000 each year, until the balance in the fund is equal to at least $4,000,000.

E. Municipal compensation fund—deposit to be computed in accordance with the franchise ordinance.

F. Modernization fund—deposits to be equal to the moneys remaining after making required deposits to the above funds.

(2) Under its pension agreement, which is renegotiated every three years, the Authority has agreed to contribute a fixed percentage of payroll to a contributory pension plan for present and retired employees. Under such agreement, the Authority is not legally obligated to fund the actuarial cost of future benefits to present and retired employees. At December 31, 1962, such unfunded amount was approximately $113,000,000 including amounts based on employee services rendered to predecessor companies.

(3) The Authority leases operating property under long-term contracts having an aggregate rental of approximately $14,800,000 over the remaining lives of such contracts.

(4) Commitments for the purchase of 150 propane-fueled and 150 diesel-fueled motor buses aggregated $7,795,359 at December 31, 1962. The cost of this equipment is to be paid from the depreciation fund.

Statement of Revenue Bonds

DECEMBER 31, 1962

		Series of 1947		4½%	4½%
	Total	Interest Rate	Amount	Series of 1952	Series of 1953
REVENUE BONDS, by year of maturity:					
1963	$ 2,000,000	3½%	$ 2,000,000	$ —	$ —
1964-1965	4,000,000	3½%	4,000,000	—	—
1966-1972	13,000,000	3⅝%	13,000,000	—	—
1978	52,705,000	3¾%	52,705,000	—	—
1982	27,727,000	—	—	21,183,000	6,544,000
Total issued and outstanding	$99,432,000		$71,705,000	$21,183,000	$ 6,544,000
LESS—Funds held by revenue bond trustee:					
Series of 1947 serial bond maturity fund	$ 1,000,000		$ 1,000,000	$ —	$ —
Sinking funds	466,362		42	359,131	107,189
Revenue bond amortization funds	316,713		231,600	68,400	16,713
Revenue bond reserve funds (note)	8,063,620		6,400,000	1,270,980	392,640
	$ 9,846,695		$ 7,631,642	$ 1,698,511	$ 516,542
REVENUE BONDS, per balance sheet	$89,585,305		$64,073,358	$19,484,489	$ 6,027,458
1963 DEPOSIT REQUIREMENTS (exclusive of interest):					
For serial bond maturity	$ 2,000,000		$ 2,000,000	$ —	$ —
For sinking funds	2,327,328		1,805,590	400,000	121,738
	$ 4,327,328		$ 3,805,590	$ 400,000	$ 121,738

NOTE: Revenue bond reserve requirements were met in prior years. Amounts deposited in these funds can be used only for (1) payment of principal or interest on revenue bonds whenever on any principal or interest payment date there would be insufficient moneys held by the trustee in applicable principal, interest, and other funds or (2) retirement of remaining bonds outstanding when reserve funds equal amount of applicable series bonds outstanding.

Statement of Equipment Trust Certificates

DECEMBER 31, 1962

		Series 7		Series 8	Series 9	
	Total	3½ %	4⅛ %	4⅛ %	4½ %	4⅜ %
Equipment Trust Certificates, by year of maturity:						
1963	$1,590,000	$ 475,000	$255,000	$260,000	$ 350,000	$250,000
1964	1,625,000	495,000	260,000	270,000	350,000	250,000
1965	1,655,000	505,000	270,000	280,000	350,000	250,000
1966	835,000	255,000	140,000	140,000	175,000	125,000
Total issued and outstanding	$5,705,000	$1,730,000	$925,000	$950,000	$1,225,000	$875,000
Less—Funds held by trustee for payment of principal	131,673	39,167	20,833	21,667	29,169	20,837
Equipment Trust Certificates, per balance sheet	$5,573,327	$1,690,833	$904,167	$928,333	$1,195,831	$854,163
Deposits Required in 1963 for Payment of Principal	$1,592,500	$ 476,667	$255,833	$260,000	$ 350,000	$250,000

Notes:

(1) Collateral for Series 7, 8 and 9 equipment trust certificates consists of the following:

	Series 7	Series 8	Series 9
Units—			
Propane buses	150	—	175
Elevated-subway cars	147	68	98
	297	68	273
Cost—			
Propane buses	$ 2,992,361	$ —	$ 3,882,850
Elevated-subway cars	8,089,662	3,992,226	6,512,270
	$11,082,023	$3,992,226	$10,395,120

(2) Payments of principal and interest on equipment trust certificates are to be made from the depreciation reserve fund to which deposits are to be made after requirements have been fulfilled for principal and interest on the revenue bonds.

CONDENSED STATEMENT OF APPLICATION OF REVENUES TO FIXED REQUIREMENTS

(Revenues Applied in Order of Precedence Required by Trust Agreement)

From Date of Take-Over (October 1, 1947) to December 31, 1962.

Year	Revenues	Operating Expenses	Debt Service Requirements	Depreciation	Credit From Operating Expense Reserve	Balance Available for Other Charges
10-1 to 12-31-47	$ 26,965,395	$ 25,200,295	$1,275,115	$ 1,300,000		$ 810,015*
1948	115,645,824	103,033,793	5,100,250	6,210,015#		1,301,766
1949	116,239,238	105,495,146	5,100,250	6,500,000		856,158*
1950	115,812,984	102,055,510	5,100,250	7,356,158#		1,301,066
1951	112,533,696	99,995,224	5,100,250	7,500,000		61,778*
1952(A)	117,122,567	100,716,140	5,388,314	9,431,583#		1,586,530
1953	124,103,962	106,296,905	6,579,336	9,928,317		1,299,404
1954	121,139,515	103,411,537	7,500,612	9,691,161		536,205
1955	120,897,185	102,488,191	7,906,632	9,671,775		830,587
1956	120,193,554	102,711,307	8,090,374	9,615,484		223,611*
1957	124,472,935	106,761,401	8,024,366	10,181,446#	$313,588(B)	180,690*
1958	126,118,729	108,604,206	7,844,966	10,270,188#	—	600,631*
1959	129,880,875	111,144,989	7,789,956	10,991,101#	309,578(B)	264,407
1960	132,092,915	113,550,213	8,228,823	10,567,433	—	253,554*
1961	130,610,746	112,618,020	8,133,394	10,702,414#	—	843,082*
1962	137,840,949	115,160,221	8,242,216	11,870,358#	—	2,568,154

*Deficit in provision for Depreciation, which must be made up from subsequent earnings before deposits may be made to Revenue Bond Amortization Fund, Operating Expense Reserve Fund, Municipal Compensation Fund, or Modernization Fund.

#Includes carry-over of deficit from prior period.

(A) Chicago Motor Coach Company acquired October 1, 1952.

(B) Revenues in the months of January 1957 and January 1959 were not sufficient to make the deposits required in the Debt Service Funds. In accordance with the terms of the Revenue Bond Trust Agreement, such deficiency in revenues to meet the debt service requirements was made up by a transfer from the Operating Expense Reserve Fund in the respective years.

CHICAGO
TRANSIT
AUTHORITY

Statement of Transportation Property and Organization Expense

Showing Balance at December 31, 1961, Plus Additions and Less Retirements During the Year 1962 and Balance at December 31, 1962

	Balance Dec. 31, 1961	Gross Additions	Retirements	Balance Dec. 31, 1962
Land	$ 13,875,017	$ 4,380	$ 115,310	$ 13,764,087
Track and Paving	8,833,901	655,144	95,249	9,393,796
Machinery and Tools	4,348,756	176,084	45,233	4,479,607
Electric Line Equipment	9,664,821	352,664	95,890	9,921,595
Buildings	25,275,932	4,119,179	215,627	29,179,484
Cars	44,424,436	61,222	35,485	44,450,173
Buses and Fare Boxes, etc.	64,593,323	18,155	3,716,978	60,894,500
Work Cars, Autos and Service Equipment	1,814,946	99,638	57,195	1,857,389
Furniture	1,380,834	78,826	40,865	1,418,795
Signals and Interlocking	1,280,234	217,387	50,336	1,447,285
Crossings, Fences and Signs	1,030,684	40,958	3,585	1,068,057
Elevated Structures	7,216,250	302,051	939	7,517,362
Substation Equipment	2,241,455	17,330	(331)	2,259,116
Telephone and Communications	701,571	123,815	15,228	810,158
Engineering	46,623	—	—	46,623
General and Miscellaneous	4,301,611	240,000	37,312	4,504,299
Total Transportation Property	$191,030,394	$6,506,833	$4,524,901	$193,012,326
Organization Expense	85,316	—	—	85,316
TOTAL	$191,115,710	$6,506,833	$4,524,901	$193,097,642

CHICAGO
TRANSIT
AUTHORITY

ANNUAL OPERA

OCTOBER 1 TO DECEMBER 31, 194

	Originating Revenue Passengers			Revenu
Calendar Year	Surface System	Rapid Transit System	Combined System	Surface System
1947(A)	222,292,611	37,845,169	260,137,780	32,739,874
1948	825,379,675	137,621,520	963,001,195	131,244,673
1949	724,851,315	122,259,827	847,111,142	125,969,234
1950	641,597,249	110,603,719	752,200,968	118,400,008
1951	584,141,163	112,807,016	696,948,179	112,814,332
1952(B)	545,332,228	112,687,227	658,019,455	111,925,857
1953	574,821,563	111,738,503	686,560,066	122,363,190
1954	529,934,199	111,232,302	641,166,501	120,937,456
1955	510,603,672	112,889,976	623,493,648	119,402,217
1956	505,623,461	115,659,105	621,282,566	118,243,862
1957	469,785,257	112,280,610	582,065,867	117,843,204
1958	426,226,629	107,067,414	533,294,043	113,616,557
1959	432,684,329	113,330,994	546,015,323	109,920,263
1960	421,832,145	112,924,491	534,756,636	109,545,835
1961	395,405,445	110,126,318	505,531,763	107,536,463
1962	390,842,961	114,068,016	504,910,977	106,189,616
Per Cent Decrease:				
1962 from 1948	52.65%	17.11 %	47.57%	19.09%
1962 from 1961	1.15%	(3.58)%	0.12%	1.25%

NOTES:

(A) CTA took over operation of Chicago Surface Lines and Chicago Rapid Transit Co. October 1, 1947.

(B) CTA took over operation of Chicago Motor Coach Company on October 1, 1952.

( ) Denotes Increase.

NG STATISTICS

ND YEARS 1948 THROUGH 1962

Car and Bus Miles		Passengers Carried per Mile Operated				
Rapid Transit System	Combined System	Surface System	Rapid Transit System	Combined System	Population of Chicago	Rides per Capita
11,591,882	44,331,756	6.79	3.26	5.87	3,553,714	—
46,668,452	177,913,125	6.29	2.95	5.41	3,576,128	269
47,571,024	173,540,258	5.75	2.57	4.88	3,598,543	235
44,534,576	162,934,584	5.42	2.48	4.62	3,620,962	208
43,477,631	156,291,963	5.18	2.59	4.46	3,613,907	193
43,365,299	155,291,156	4.87	2.60	4.24	3,606,851	182
43,140,398	165,503,588	4.70	2.59	4.15	3,599,795	191
43,285,362	164,222,818	4.38	2.57	3.90	3,592,740	178
43,667,246	163,069,463	4.28	2.59	3.82	3,585,684	174
44,317,276	162,561,138	4.28	2.61	3.82	3,578,628	174
44,487,108	162,330,312	3.99	2.52	3.59	3,571,572	163
42,991,829	156,608,386	3.75	2.49	3.41	3,564,516	150
44,325,456	154,245,719	3.94	2.56	3.54	3,557,460	153
44,633,251	154,179,086	3.85	2.53	3.47	3,550,404	151
44,193,072	151,729,535	3.67	2.49	3.33	3,540,000	143
43,910,748	150,100,364	3.68	2.60	3.36	3,534,000	143
5.91%	15.63%	41.49%	11.86 %	37.89 %	1.18%	46.84%
0.64%	1.07%	(0.27)%	(4.42)%	(0.90)%	0.17%	—

Revenue Equipment Owned

December 31, 1962

		January 1, 1962 to December 31, 1962		
	On Hand Dec. 31, 1961	Acquired	Retired	On Hand Dec. 31, 1962
SURFACE SYSTEM:				
Buses—				
Trolley Buses	559	—	7	552
Gas—Mechanical	30	—	30	—
Gas—Hydraulic	340	—	168	172
Diesel—Hydraulic	978	18	38	958
Propane—Hydraulic	1,448	101	1	1,548
TOTAL SURFACE EQUIPMENT	3,355	119	244	3,230
RAPID TRANSIT SYSTEM:				
Elevated—Subway Cars—				
Steel, conventional type	441	—	8	433
Metal, articulated	4	—	—	4
Metal, P. C. C.	770	—	—	770
TOTAL RAPID TRANSIT CARS	1,215	—	8	1,207
TOTAL REVENUE EQUIPMENT OWNED	4,570	119	252	4,437

Mileage Owned, Leased and Operated

December 31, 1962

	Surface System	Rapid Transit System	Combined
Track Owned or Leased:			
Owned	62.96	164.61	227.57
Leased (Subways, Congress Expressway and Lake St. Track Elevation)	—	37.23	37.23
Total Track Owned or Leased	62.96	201.84	264.80
Revenue and Non-Revenue Track or Route Mileage:			
Revenue Miles in Operation—			
Revenue Tracks	—	160.69	160.69
Trolley Bus Lines (Single Way Miles)	246.04	—	246.04
Motor Bus Lines (Single Way Miles)	1,685.99	—	1,685.99
Total Revenue Miles	1,932.03	160.69	2,092.72
Non-Revenue Miles—			
Unused Track	61.10(1)	—	61.10
Service Track	1.86(2)	41.15(3)	43.01
Connecting Trolley Bus Lines and Trolley Bus Storage	17.79	—	17.79
Total Non-Revenue Miles	80.75	41.15	121.90
TOTAL	2,012.78	201.84	2,214.62

NOTES:—

(1) This mileage covers Tracks located in public ways and streets which are isolated, Tracks from which electric service has been disconnected and Tracks not used.

(2) This mileage covers Tracks located in 78th & Vincennes Yard, and railroad track connection into South Shops plant.

(3) Includes 14.63 miles of Main Line Storage Track, and 2.57 miles of freight Gauntlet Track, Evanston Branch. Balance consists of Track in yards and carhouses.

Operating Statistics

For Year Ended December 31, 1962

	Surface System	Rapid Transit System	Combined System
PASSENGER TRAFFIC:			
Revenue Passengers	390,842,961	114,068,016	504,910,977
Revenue Vehicle Miles:			
Cars	—	43,910,748	43,910,748
Trolley Coaches	17,095,783	—	17,095,783
Motor Buses	89,093,833	—	89,093,833
TOTAL REVENUE VEHICLE MILES	106,189,616	43,910,748	150,100,364
Revenue per Vehicle Mile	99.73¢	72.75¢	91.84¢
Earning Revenue Vehicle Hours:			
Cars	—	—(1)	—
Trolley Coaches	1,795,992	—	1,795,992
Motor Buses	8,774,470	—	8,774,470
TOTAL REVENUE VEHICLE HOURS	10,570,462	—	10,570,462
POWER STATISTICS:			
Direct Current Kilowatt Hours	67,695,434	206,052,927	273,748,361
Average Cost per Kilowatt Hour	—	—	1.97¢
MOTOR BUS FUEL STATISTICS:			
Gasoline — Gallons	1,234,735		
Average Miles per Gallon	3.48		
Diesel Fuel — Gallons	7,096,030		
Average Miles per Gallon	4.09		
Propane Fuel — Gallons	25,892,900		
Average Miles per Gallon	2.15		

(1) Not Available

CHICAGO
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Route and Terminal Changes

Route and Number	Effective Date	Description of Change
South Damen (50A)	2-11-62	Line extended from the former Damen-47th terminal to operate on weekdays between 6:00 A.M. to 7:00 P.M. via Damen Avenue Overpass, 34th, Hoyne, 35th, and Damen Overpass.
Ashland-Stockyards (9)	2-12-62	Discontinued weekday rush hour service that had been operated between Ashland-95th and 42nd-Packers Avenue in the Stockyards via Ashland and 42nd Street.
South Chicago-Ewing (30)	3-25-62	Extended line to supply service in Hegewisch via 134th, Brandon, Brainard, Baltimore, 132nd, Exchange, 130th, Baltimore and 134th Streets.
43rd Limited (43X)	3-26-62	Discontinued bus operation between the Indiana Avenue "L" Station and 42nd-Packers Avenue in the Stockyards.
43-Root (43)	3-26-62	Simultaneously with discontinuance of the 43-Limited service the 43-Root line was extended to supply service into the Stockyards. Formerly this line had operated into the Stockyards to the 42nd-Packers terminal for short periods in the A.M. and P.M. rush hours on weekdays. The extended service broadened these rush hour periods and also provided service into the Stockyards during the mid-day periods on weekdays.
North Ave. Limited (72X)	3-26-62	Extended service west from the terminal at Grand Avenue to a terminal at North-Neva. Subsequently, on September 10, 1962, this extension of North Limited service was discontinued and replaced by an extension of some Austin Avenue trips.
Wilson-LaSalle (156)	3-26-62	Extended certain weekday trips to serve Marine Drive between Montrose and Irving Park—12 morning and 14 evening rush hour trips were routed via Marine Drive.
Indiana Avenue (38)	5-20-62	Changed routing of buses terminating at the Cermak Rapid Transit station from a loop via Cermak, Wabash, Cullerton and State to Cermak to a loop via Cermak, north and west through the off-street terminal, and State to Cermak.
South Chicago-Ewing (30)	5-23-62	Changed routing of buses at the 63rd-South Park terminal from a loop via South Park, 63rd, Vernon and the private right-of-way to South Park to a loop via South Park, 64th, Vernon and the private right-of-way to South Park.
South Pulaski (53A)	6-1-62	Changed routing of buses at the midday, late evening and weekday south terminal from a turn around on the apron of the overpass at 76th Street to a route through a new off-street terminal at the northeast corner of Pulaski-75th Street.
Montrose-Lawrence (81A)	6-24-62	Line extended to operate via Simonds Drive between Montrose and Lawrence Avenues to better serve the Montrose Beach on days when weather conditions require. This temporary extension was operated until September 9, 1962, the closing date for beaches.

Route and Number	Effective Date	Description of Change
South Halsted (42B)	6-25-62	Discontinued weekday rush hour trips eastbound from the regular terminal at 127th-Lowe Avenue to a U-Turn terminal on Wentworth near 127th Street. Effective September 5, 1962, with the reopening of schools, this service was restored on a slightly restricted basis.
State Street (36A)	8-2-62	Changed the routing of buses turning at 84th Street from a loop via Lafayette, 83rd, Wabash, 84th and State Street to a loop via Lafayette, 83rd and State Street.
Congress Branch of Rapid Transit System	8-5-62	The new Kostner Station (4400 West) was placed in service.
115th Street (115)	8-7-62	Changed routing of buses at the west terminal from a loop via 115th, Union, 116th, Halsted and 115th Street to a loop via 115th, Lowe, 116th, Halsted and 115th Streets.
South Halsted (42B)	9-5-62	The last two trips on this line east of 127th-Lowe to 127th-Wentworth, leaving 127th-Lowe at 5:39 P.M. & 5:50 P.M. were not restored when this service was resumed at the opening of schools.
Washington (131)	9-10-62	Certain weekday rush hour trips formerly operated on Austin to North Avenue were extended west on North Avenue to the terminal at North-Neva. Six A.M. rush hour trips were extended to start at North-Neva and seven P.M. rush hour trips were extended to terminate at North-Neva. This extension provided a direct connection between West North Avenue and the Lake-Austin Rapid Transit Station.
Ogden-Downtown (58)	9-27-62	Rerouted buses west of Ogden-Cermak. The former routing was Ogden, 25th Place, 50th Avenue, 24th Street, 52nd Avenue, 25th Street, 50th Avenue, 25th Place and Ogden. The rerouting is via Cermak, 50th Avenue, 24th Street, 52nd Avenue, 25th Street, 50th Avenue and Cermak Road.
Broadway (36)	10-3-62	Changed routing of buses at the north terminal during the business day on weekdays from a loop via Devon, Ravenswood and Schreiber to Clark to a loop via Clark and through the enlarged Clark-Arthur loop.
Wilson-Michigan (153)	10-13-62	Extended six late Saturday evening trips to provide service east from the Wilson-Ravenswood terminal between 11:15 P.M. and 12:30 A.M. The trips had formerly pulled into Limits station via Wilson and Clark Street. The revision arranged for pulling in via Wilson, Sheridan, Broadway, Clark, thereby supplying later contacts with the North-South Rapid Transit line, and the Broadway and/or Sheridan Road bus lines.
Ashland-Downtown (45) Halsted-Downtown (42) Wentworth (22A)	10-15-62	Southbound buses on Clark Street were rerouted between Taylor and 13th Street via ground level temporary roadway west of the Clark Street viaduct. The former routing was on the Clark Street viaduct.
Lake Street Rapid Transit Route	10-28-62	Rapid Transit operation at street level west of Laramie Avenue was relocated to elevated operation on the adjacent Chicago and North Western Railway right-of-way.

FOR RELEASE TO ALL NEWSPAPERS OF WEDNESDAY, JUNE 12, 1963.

During 1962 Chicago Transit Authority scored important gains in its improvement and modernization program and recorded one of the best years since it took over the operation of local transit properties on October 1, 1947, according to the 18th annual report issued today (Wednesday) by Chicago Transit Board.

Financially, 1962 was a banner year with gross revenues reaching an all-time high at $137,840,949, an increase of $7,230,203 over 1961, the report revealed. In addition, there were a number of major plant and equipment improvements which contributed substantially to better transit service. New advances also were made in operating safety when CTA for the eighth consecutive year established new records in reducing accidents.

Major plant improvements completed during the year included:

Elevation of the 2½ mile street-level section of Lake rapid transit route at a cost of $4,000,000;

Completion of the $1,180,000 rapid transit service and inspection shop at Desplaines avenue, Forest Park;

Construction of a new sub-station at 63rd and Princeton;

Installation of train phones on Ravenswood and Evanston shuttle rapid transit routes for direct communication between motormen of in-service trains and Operations Control at the Merchandise Mart;

Expansion of car storage facilities at 63rd and Loomis, terminal of the Englewood rapid transit branch;

Installation of an automatic signal interlocking plant at 63rd and Stony Island, terminal of the Jackson Park rapid transit branch;

(MORE)

Opening of the Kostner avenue station on the Congress rapid transit route;

Revision and expansion of the off-street bus terminal at Clark and Arthur.

Also at year end, construction of a $4,000,000 bus overhaul shop at CTA's South Shops complex, 78th and Vincennes, was nearing completion as the final step in consolidating the Surface System's West Shops, 3901 West End, with the South Shops. A transportation building is to be added, bringing the total cost of the complex to approximately $5,235,000.

Marked progress was also achieved during the year in adding ultra-modern equipment to CTA's bus and rapid transit car fleets. Delivery of the second group of 300 "New Look" buses was underway at year end and CTA engineers were completing specifications for the purchase of 180 "New Look" rapid transit cars. The new rapid transit cars will replace 200 outmoded cars, many of them almost 50 years old, which are now operating on the Lake and Douglas routes.

By year end, CTA had invested or committed more than $175,000,000 of revenues in buses and cars of the latest designs, and in other modern facilities during the past 17 years. This expenditure for modernization is unmatched in any similar period in the history of transit in Chicago.

The report pointed out that CTA's financial picture had improved during the year. It cited the fact than for only the fourth time in CTA history funds were available, after meeting all fixed charges, for payment of compensation to the City of Chicago for use of city-owned streets, subways and other facilities.

The gross amount remaining for city compensation from 1962 operations was $401,300, the third largest amount set aside for city compensation since CTA began operations. Previous amounts available for city compensation were $1,035,000 in 1948; $862,330 in 1950, and $386,530 in 1952.

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However, against the 1962 payment, as was the case in 1950 and 1952, amounts owed to CTA by the City of Chicago were subtracted. The net partial payment to the city for 1962 will total approximately $221,000.

CTA revenues for 1962 reached an all-time high of $137,840,949, an increase of $7,230,283 over 1961, due principally to the five-cent transfer charge established July 23, 1961. Operation and maintenance expenses were $115,160,221, an increase of only $2,542,201, despite higher wage rates and cost-of-living allowances in 1962 than in 1961.

Required deposits to depreciation reserve increased to $11,027,276, due principally to the increase in gross revenues. CTA actually deposited $11,870,358, however, since a deficit of $843,082 was carried over from 1961.

Originating revenue passengers for the combined systems totaled 504,910,977, a decrease of 0.12 per cent compared with 1961. Surface System revenue passengers decreased 1.15 per cent. Rapid transit originating revenue passengers for the year, however, were 3.58 per cent above 1961.

In the field of accident prevention, CTA for the eighth consecutive year established new records in reducing accidents. The passenger accident frequency rate of 3.8 accidents per 100,000 miles in 1962 was an all-time low, being a decrease of 35.6 per cent since 1954 when the present intensive accident prevention program was inaugurated.

Despite the record-breaking snowfall in January and February, totaling 33.4 inches, the highest for these two months in the past 10 years, Surface System traffic accidents were the second lowest in the history of CTA. The frequency rate of 8.6 was 35.8 per cent below the rate for 1954.

The year's outstanding capital improvement project, elevation of the street-level section of Lake rapid transit route, was completed and placed in service on October 28, 1962. This undertaking eliminated 22 grade

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crossings, cleared the way for safer and improved street traffic, and resulted in better and faster transit service. This $4,000,000 improvement establishes a precedent and a pattern for public agency cooperation in mass transportation projects in the future when widespread public benefits, including improvement in street traffic flow, may be obtained. The cost was shared as follows: The U.S. Bureau of Public Roads and the State of Illinois, $1,000,000; County of Cook, $1,000,000; Oak Park, $800,000; the City of Chicago and the CTA, $600,000 each. The Bureau of Public Roads' share was specifically limited to the street crossing and its approaches at Harlem avenue, an arterial highway.

One of the most modern rapid transit service and inspection shops in the nation, on which work started in 1961, was completed in July, 1962. The ultra-modern structure at the Congress route terminal in Forest Park, covers a floor area of about 26,000 square feet and contains complete inspection and maintenance facilities to service rapid transit cars and is large enough to accommodate up to 12 cars at a time.

The new Kostner station on the Congress-Milwaukee branch of the West-Northwest rapid transit route, which was placed in service on August 5, 1962, brings to 14 the number of stations in or along the expressway between Halsted and Desplaines avenue, Forest Park. Travel time between the new station and the Loop is 13 minutes.

Another highlight in the year's progress was the placing in operation on April 15 of an automatic, all-electric interlocking and block signal system at the 63rd and Stony Island terminal of the North-South "L"-subway route. The new all-electric interlocking system automatically sends trains into either the north or south side of the station platform and automatic controls route trains out of the terminal at the exact scheduled starting time.

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At the year end, the new bus overhaul shop building under construction at the northeast corner of 78th street and Vincennes avenue was about 75 per cent complete. This new facility is designed for assembly-line work and efficiency and will be one of the most modern bus servicing shops in the transit industry. The cost of this $4,000,000 shops project, the final step in consolidation of two former surface system shops, will be amortized within a few years by economies achieved through consolidation. Completion is expected by July or August.

First of the second purchase of 300 "New Look" buses began arriving just before the year-end holidays. Prior to the New Year, the first deliveries had been run through inspection procedures and were in service on CTA routes.

CTA's modernization and replacement program, formulated in 1945 when CTA was established and which provided for acquisition of 4,256 revenue vehicles, continued to make progress during the year. By December 31, 1962, CTA had taken delivery of 4,704 new revenue vehicles and 283 others were on order for delivery in 1963. This completed the modernization program and will provide 731 additional new vehicles to replace equipment that became over-age during the interim.

Total cost of these 4,987 new revenue vehicles and auxiliary equipment is approximately $127,413,000, of which $84,794,000 covers 4,213 surface system passenger units and $42,619,000 was for 774 rapid transit system cars. The net cash cost is $119,433,000 after considering $7,980,000 salvage value realized on PCC streetcar components used in construction of 570 new "L"-subway cars.

Total expenditures and commitments under the modernization and replacement program to date aggregate approximately $174,511,000 - $127,413,000 for the vehicles and $47,098,000 for construction of new shops and operating garages and modernization of other facilities such as, shops, garages, machinery, and fixed transportation equipment.

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The total number of employes in service at the close of 1962 was 12,932, a decrease of 269 from the 13,201 at December 31, 1961, and a decrease of 10,436 from the 23,368 employes in service at dates of acquisition of properties from predecessor companies. During 1962, 466 employes retired on pensions, 11 employes drawing disability pensions returned to active duty, and 420 retired employes died. As of December 31, 1962, there were 5,562 retired employes receiving pension payments.

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FROM: CHICAGO TRANSIT AUTHORITY
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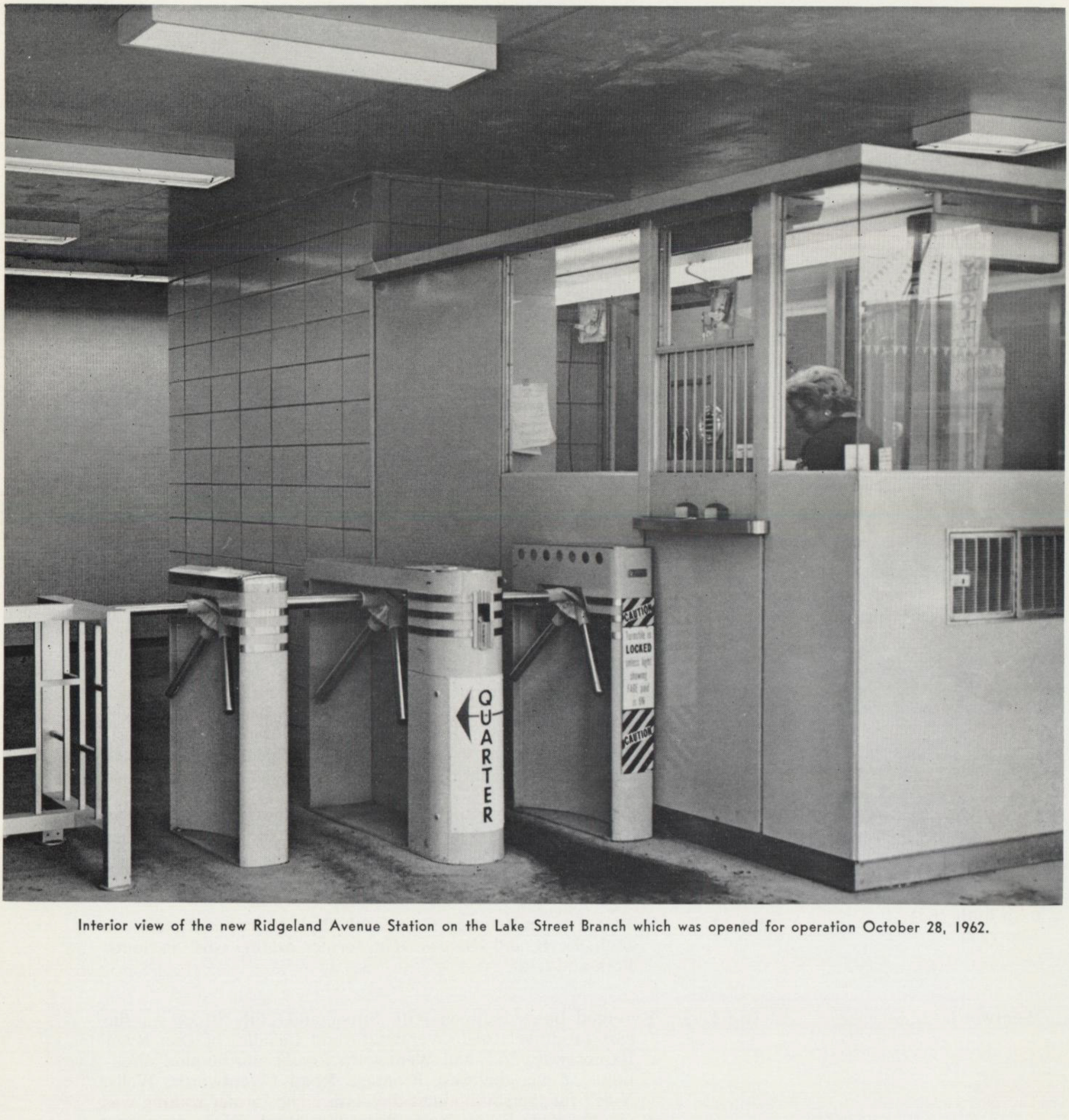
6-11-63

Route and Number	Effective Date	Description of Change
Jackson-Independence (127)	10-29-62	Rerouted pull out and pull in buses between Kedzie Station and the Independence Square terminal via Kedzie, Jackson, Fifth Avenue, Homan, Roosevelt, Central Park and Douglas Boulevard. The former routing was via Kedzie, Jackson and Independence.
Douglas (136)	10-29-62	Weekday and Saturday operation was extended and rerouted and discontinued in the western portion of the line. The rerouting and extension provided for operation via Douglas Boulevard, Central Park, Congress Parkway, Hamlin, Lake, Pulaski, Washington, Hamlin, Independence, Harrison, Central Park. The area of discontinuance was on Douglas Boulevard, Central Park to Independence; on Independence from Douglas Boulevard to Congress Parkway, and on Hamlin north of Lake Street. The extension was west on Lake Street, south on Pulaski and east on Washington. The rerouting was between Douglas Boulevard, Central Park and Congress Parkway-Independence.
Division Street (70)	12-2-62	Line was extended in the south terminal area by changing from a loop via State, Congress, Dearborn to a loop via State, Harrison and Dearborn.
Westchester (17)	12-2-62	Rerouted pull out and pull in buses between Kedzie Station and the terminals of the Westchester line via Kedzie, Congress Parkway westbound or Harrison eastbound, the Congress Expressway between Independence entrance-exit and Harlem exit-entrance, Harlem, Madison and Desplaines for buses entering or leaving service at Desplaines terminal via Kedzie, Congress Parkway westbound or Harrison eastbound, the Congress Expressway between Independence entrance-exit and Mannheim exit-entrance, Mannheim and Balmoral.
Jeffery Express (5A)	12-3-62	Expanded service to supply one trip starting from the Wacker-State terminal at 3:00 P.M., 15 minutes earlier than service had started formerly.
67th-69th (67) 71st (71)	12-9-62	Rerouted buses between 69th-South Park and 67th-Rhodes via 69th, Keefe and Rhodes. The former routing was via South Park and 67th.
Wentworth (22A)	12-16-62	Rerouted buses between 65th Street and 26th Street via the east Frontage Road (Wentworth and LaSalle) of Dan Ryan Expressway, 26th and Wentworth for the northbound direction and via the west Frontage Road (Wentworth, Wells, Yale) for the southbound direction. The former routing was via Frontage Road, Yale, Princeton, Root, Wells, Pershing, Princeton, 35th and Wentworth.


QUARTER
CAUTION
Turnstile is
LOCKED
unless light
showing
FARE paid
is ON
CAUTION

Interior view of the new Ridgeland Avenue Station on the Lake Street Branch which was opened for operation October 28, 1962.

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